

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES OFFICE OF PROJECT MANAGEMENT AND PERMITTING

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October 23, 2009

Charlotte MacCay
Permitting Manager
Pebble Limited Partnership
Anchorage, AK

Re: Ongoing Kinetic Geochem Testing and Request for State Concurrence for Termination of Certain Tests and Reduction of Monitoring Frequency for Other Tests

Dear Ms. MacCay:

The State of Alaska's Large Mine Permitting Team (LMPT) would like to amend and clarify our letter of October 9th regarding the termination of specific kinetic tests for the Pebble Project as outlined in the SRK Memorandum titled Status of Kinetic Test Program and Proposed Modifications DRAFT 2. The LMPT accepts that memorandum as the final version (FINAL) and recommends that the DRAFT 2 notation be removed.

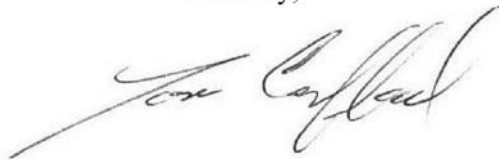
In the DRAFT1 memo, thirty (30) kinetic tests were proposed to be terminated (Please Note: My October 9 letter had incorrectly referenced 23 kinetic tests. The correct number is 30.) LMPT staff had questions regarding fourteen of these tests and asked Stephen Day to explain his recommendation for the termination of ten of the tests. Stephen did not dispute the observations that led the State to question the termination of the ten tests; but, in the FINAL memo he provided a more complete explanation of the purpose of the specific tests, what data the tests needed to produce, and the rationale for terminating those tests. As a consequence, the LMPT believes that the 30 kinetic tests have answered the questions they were intended to address and that termination of those tests is appropriate.

The agencies also believe that the reduction of monitoring frequency for currently ongoing tests, as outlined in Table 6 of the FINAL Memorandum, will be adequate to discern trends in leachate chemistry and have no objections to the proposed changes to the monitoring frequency.

Additionally, the LMPT believes that Stephen Day's FINAL memo should be presented and discussed at a meeting of the Pebble Geochemistry Technical Working Group at the earliest opportunity. This meeting could be accomplished either in person or through an on-line presentation (webinar).

If you have any questions regarding this letter please do not hesitate to contact me at 907-269-8629.

Sincerely,



Thomas C. Crafford
Mining Coordinator

Cc:

Steve McGroarty, DNR
Pete McGee, DEC
Rick Fredericksen, DNR
Ed Fogels, DNR

Jim Vohden, DNR
Allan Nakanishi, DEC
Jack DiMarchi, DNR
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